

**BEFORE THE  
SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

In the Matter of the Application of	)	
	)	
<b>Zayo Group, LLC</b>	)	
	)	Docket No. _____
for a Certificate of Public Convenience	)	
and Necessity to Provide Facilities-Based	)	
and Resold Local Exchange and Interexchange	)	
(Including Exchange Access)	)	
Telecommunications Services	)	
Throughout the State of South Carolina,	)	
and for Flexible Regulation and	)	
Alternative Regulation	)	

**APPLICATION OF ZAYO GROUP, LLC**

Zayo Group, LLC (“Zayo” or “Applicant”), by its undersigned counsel and pursuant to South Carolina Code Section 58-9-280 and the rules and regulations of the South Carolina Public Service Commission (“Commission”), hereby applies to the Commission for a Certificate of Public Convenience and Necessity to provide resold and facilities-based local exchange and intrastate interexchange (including exchange access) telecommunications services in the State of South Carolina. Applicant also requests flexible regulation for its local exchange telecommunications services in accordance with procedures first authorized in Order No. 98-165 in Docket No. 97-267-C. Pursuant to S.C. Code Ann. §58-9-585 and the general regulatory authority of the Commission, Applicant also requests that the Commission regulate its interexchange service offerings as described below in accordance with the principles and procedures established for alternative regulation in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C.

In support of its Application, Zayo submits the following:

## **I. INTRODUCTION**

### **1. The name and address of the Applicant are:**

Zayo Group, LLC  
400 Centennial Parkway, Suite200  
Louisville, CO 80027  
303-381-4683 (Tel)  
303-604-6869 (Fax)  
[www.zayo.com](http://www.zayo.com)

### **2. Correspondence regarding this Application should be directed to:**

John J. Pringle, Jr.  
Ellis, Lawhorne & Sims, P.A.  
Post Office Box 2285  
Columbia, South Carolina 29202  
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Zayo Group, LLC  
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914-421-7585 (tel)  
914-421-6793 (fax)  
[jill.sandford@zayo.com](mailto:jill.sandford@zayo.com)

### **3. In support of this Application, the following exhibits are attached hereto:**

- a. Exhibit A - Certificate of Formation
- b. Exhibit B - Certificate of Authority to Operate in South Carolina
- c. Exhibit C - Financial Information
- d. Exhibit D - Management Biographies
- e. Exhibit E - Proposed Tariff

## **II. DESCRIPTION OF THE APPLICANT**

### **1. General Information**

Zayo is a Delaware limited liability company with principal offices at 400 Centennial Parkway, Suite 200, Louisville, Colorado 80027. Zayo is a wholly owned subsidiary of Zayo Group Holdings, Inc. (“Holdings”), a Delaware corporation, which in turn is a wholly owned direct subsidiary of Communications Infrastructure Investments, LLC (“CII”), a Delaware limited liability company. CII has no majority owner.

The Company is a provider of bandwidth infrastructure and network neutral collocation and interconnection services over regional and metropolitan fiber networks. These services enable customers to manage, operate, and scale their telecommunications and data networks. Such customers consist primarily of wireless service providers, national and regional telecommunications carriers and other communications service providers, media and content companies, schools, hospitals, governments, banks and other bandwidth-intensive enterprises.

Zayo is authorized to provide intrastate telecommunications service in the District of Columbia and the following states: Alabama, Arizona, California, Colorado, Delaware, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Minnesota, Missouri, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington and West Virginia. Zayo is in the process of seeking authorization to provide telecommunications in all other states except Alaska and Hawaii. Zayo is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier. Zayo has not been denied requested authority in any state.

Zayo has three subsidiaries that are currently authorized to provide intrastate telecommunications services in South Carolina: 360networks (USA) inc. (“360networks”),

AboveNet Communications, Inc. (“AboveNet”) and USCarrier Telecom, LLC (“USCarrier”).<sup>1</sup> While 360networks and AboveNet do not currently provide intrastate telecommunications services in South Carolina,<sup>2</sup> USCarrier does. Each of these subsidiaries shares the same management and technical personnel as Zayo.

## **2. Description of Proposed Service**

Zayo seeks authority to provide all forms of facilities-based and resold local exchange, exchange access, and interexchange telecommunications services to and from all points in the State of South Carolina that are currently or become open to competition.

Zayo will primarily provide Private Line, Ethernet, Wavelength, Dedicated Internet Access and Collocation services to wholesale (e.g., other carriers) and large enterprise customers. While Zayo will not initially offer switched (voice) local exchange or interexchange services, it seeks authority to provide such service so that it has flexibility to add those services in the future. Therefore, Zayo seeks the full range of resold and facilities-based local exchange, exchange access and interexchange authority (including private line authority).

Applicant’s business is building communications solutions for large enterprise and carrier customers on an individual case basis for each project’s needs. Applicant will primarily provide services using its own facilities and facilities leased from other carriers, but also seeks authority to provide service on a resale basis.

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1 360networks is authorized to provide local exchange telecommunications services pursuant to Order No. 2001-76 issued in 2000-506-C and interexchange telecommunications services pursuant to Order No. 2000-286 and amended by Order No. 2000-666 issued in Docket No. 1999-355-C. AboveNet is authorized to provide facilities-based and resold competitive local exchange and interexchange telecommunications services pursuant to Order No. 2000-660 issued in Docket No. 2000-201-C on August 15, 2000. USCarrier is authorized to provide interexchange telecommunications services pursuant to Order No. 2001-1053 issued in Docket No. 2001-256-C.

2 360networks and AboveNet are separately seeking to cancel their Certificates in South Carolina.

Zayo will offer interexchange telecommunications statewide. To the extent Zayo provides switched local exchange services, it will initially do so in the areas served by AT&T and does not plan to provide service in areas of any small or rural local exchange carriers. However, Zayo does seek authority to provide local exchange services in all areas that are currently open, or become open in the future, to competition so that it may expand into other services as market conditions warrant.

### **3. Customer Service**

Zayo's customer service representatives are available to assist its customers and will promptly respond to all customer inquiries. Zayo's customer service department can be contacted by calling 800-390-6094(Toll Free) or by e-mailing [billing@zayo.com](mailto:billing@zayo.com). The office responsible for customer service is:

Zayo Customer Care  
Tel: 800-390-6094  
Fax: 303-604-6869  
[billing@zayo.com](mailto:billing@zayo.com)

## **III. QUALIFICATIONS**

Zayo possesses the requisite financial, technical and managerial capabilities to operate as a competitive telecommunications provider as described in further detail below.

### **1. Financial Qualifications**

In support of Applicant's financial qualification, financial information for Zayo is provided as Exhibit C. As shown in the attached information, Applicant is financially qualified to operate within the State of South Carolina.

### **2. Technical and Managerial Qualifications**

Zayo is technically and managerially qualified to provide competitive local exchange and interexchange (including exchange access) services in South Carolina. Zayo has retained many of

the key technical personnel of the entities it has acquired (including 360networks, AboveNet and USCarrier) who have extensive experience in the telecommunications industry. Zayo has augmented this experience with the extensive telecommunications experience of Zayo's management. Together, the senior management of Zayo and its highly-qualified technical staff will ensure that Zayo's operations will meet high standards for service quality and reliability. A description of the background of Zayo's key personnel, which demonstrates the extensive telecommunications experience of Zayo's management team, is attached hereto as Exhibit D.

#### **IV. WAIVERS AND REGULATORY COMPLIANCE**

Zayo requests that, pursuant to 26 S.C. Reg. 103-601(3), the Commission waive those regulatory requirements that are inapplicable to competitive local exchange carriers because compliance with such rules would cause Zayo unusual difficulty. Specifically, Zayo requests a waiver of the following Commission Rules:

**1. 26 S.C. Reg. 103-610:** Zayo requests a waiver of the requirement in Rule 103-610 that all records required under the rules be kept within the State. Zayo maintains its records at its principal offices in Louisville, Colorado. As such, maintaining a separate set of books and records in South Carolina for Zayo's South Carolina operations would be unduly costly and burdensome to Zayo. Zayo states that all such books and records shall be provided to the Commission or the South Carolina Office of Regulatory Staff ("SCORS") at the appropriate applicable office within the State of South Carolina in a timely manner upon written request.

**2. 26 S.C. Reg. 103-611:** Zayo requests that it be exempt from any record-keeping rules or regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a

competitive carrier, Zayo will not be subject to rate base regulation and therefore should not be subject to USOA requirements. Zayo maintains its books in accordance with Generally Accepted Accounting Principles (“GAAP”).

3. Zayo also requests waivers of any reporting requirements which, although applicable to incumbent LECS are not applicable to competitive carriers such as Zayo because such requirements are not consistent with the demands of the competitive market and constitute an undue burden on a competitive carrier.

4. In addition to the above requested waivers, Zayo reserves the right to seek any regulatory waivers which may be required for Zayo to compete effectively in the South Carolina telecommunications market.

5. **Flexible Regulation of Local Exchange Services:** Applicant respectfully requests that its local service offerings be regulated in accordance with procedures outlined in Order No. 98-165 in Docket No. 97-467-C.

6. **Alternative Regulation of Business Service Offerings.** Applicant requests that all of its business service offerings be regulated pursuant to the procedures described and set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C. It is Applicant’s intent by this request to have its business services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States, Inc. (“AT&T”). Specifically, Applicant requests that the Commission:

- a. remove the maximum rate tariff requirements for its business services, consumer card, operator service, private line, and customer network-type offerings;

- b. presume that the tariff filings for these uncapped services be valid upon filing. However, if the Commission institutes an investigation of a particular filing within seven (7) days, the tariff filing would be suspended until further order of the Commission; and
- c. grant Applicant the same treatment as AT&T in connection with any future relaxation of the Commission's reporting requirements.

## **V. PUBLIC INTEREST CONSIDERATIONS**

Granting this Application will promote the public interest by increasing competition in the provision of telecommunications services in South Carolina. By enhancing competition, Zayo will bring significant benefits to telecommunications users within the State of South Carolina by providing: (a) lower-priced and better-quality service; (b) innovative telecommunications services; (c) efficient use of existing communications resources; and (d) increased diversification and reliability in the supply of communications services. Applicant's proposed intrastate services are designed to meet the telecommunications needs of subscribers and permit customers to realize cost savings in communications services. Accordingly, Zayo anticipates that its proposed service will provide its customers with better quality services and will increase consumer choice through innovative, diversified, and reliable service and equipment offerings. Zayo will comply with all rules and orders of the Commission.

The grant of Zayo's Application is consistent with S.C. Code Ann. Sec. 58-9-280(B), as amended by 1996 Act No. 354. Applicant makes the following representations:

- a. Applicant possesses the technical, managerial and financial resources sufficient to provide the services described in this application;
- b. Applicant's local services will meet the service standards required by the Commission;

- c. The provision of local services by Applicant will not adversely impact the availability of affordable local exchange service;
- d. Applicant, to the extent required by this Commission, will participate in the support of universally available telephone service at affordable rates;
- e. The provision of local service by the Applicant will not adversely impact the Public interest.

## **VI. CONCLUSION**

For the reasons stated above, Applicant respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application for the authority to provide all types of facilities-based and resold local exchange and interexchange telecommunications (including exchange access) services throughout the State of South Carolina.

WHEREFORE, Zayo requests that the South Carolina Public Service Commission issue an Order granting it a Certificate of Public Convenience and Necessity authorizing it to provide resold and facilities-based local exchange and interexchange (including exchange access) telecommunications services in South Carolina, granting flexible and alternative regulation as described herein, and granting such other relief as is just and proper.

Respectfully Submitted,

s/ John J. Pringle, Jr.  
John J. Pringle, Jr.  
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Counsel for Zayo Group, LLC

Dated: December 6, 2012  
Columbia, South Carolina

STATE OF COLORADO  
COUNTY OF BOULDER

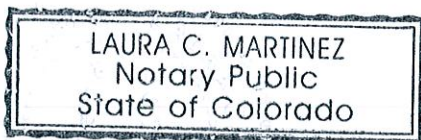
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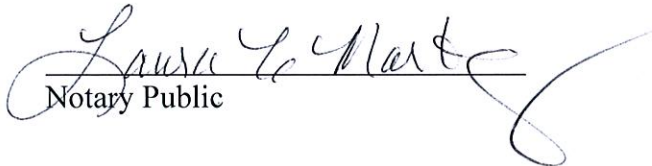
**VERIFICATION**

I, Scott E. Beer, am Vice President, General Counsel and Secretary of Zayo Group, LLC and its subsidiaries (collectively, the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

  
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Scott E. Beer  
Vice President, General Counsel and Secretary  
Zayo Group, LLC

Sworn and subscribed before me this 9th day of November, 2012.



  
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Notary Public

My commission expires 04.01.2016  
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